

November 2013 Sales Conference Notes

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November 2013 Sales Conference Call
Tuesday, December 3, 2013

Toyota Motor Sales Vice President of Corporate Communications Mike Michels:

Hello everyone and thank you for joining us to review the November sales results for Toyota, Scion and Lexus.

Speaking today will be:

- Bill Fay, Toyota Division Group Vice President and General Manager;
- And Jeff Bracken, Lexus Group Vice President and General Manager.

Following the call, our communications team will be available to field any additional questions you may have.

Now I'd like to turn it over to Bill for a review of our corporate and Toyota Division results in November.

Toyota Division Group Vice President and General Manager Bill Fay:

Thank you Mike... and thanks everyone for joining us today.

Hope you all had a good Thanksgiving Weekend.

Industry

- Had a good month with a great close in November

Fairly Typical for the month

- Much of the action took place after Thanksgiving
- More than 25% of our sales came during the final weekend
- Up more than 20% over last year's Thanksgiving weekend

Total Industry Sales

- About 1.24 million vehicles sold
- Up 8.9% from last year
 - Unadjusted, volume basis

November SAAR 16.4 million

- That's the best month this year
- Industry's best sales pace since February, 2007

That's even more impressive

- Replacement sales last year following Hurricane Sandy helped boost the industry to its highest SAAR of 2012 (15.4)

YTD industry SAAR 15.6

- A little stronger than our year-end target

- Industry will probably exceed
- If momentum we saw over Thanksgiving continues

Toyota, Scion and Lexus

- 178,044
- Up 10.1% from last year
- Best November since 2007
 - before the recession

TMS #1 retail manufacturer

- Fleet sales made up just 5-and-a-half% of mix
- YTD fleet sales stand at 9% of our total sales
 - (Down from 10% at this point last year)

Now for a look at Toyota Division in November

- Sales of 152,433
- Up 9.7%
- #1 retail brand for the month

Camry

- Volume leader
- Sales of more than 30,000 units
- Up 5.6%

Corolla launch continues on track

- More than 22,400 sold
- On par with last year
- Still building inventory on the new car

Avalon

- Still selling like a new car nearly one year after its launch
- Sales nearly quadrupled in November
- More than 5,800 units
- Hybrid making up more than a quarter of the total

Prius Family

- Sales topped 16,000
- Remains ahead of last year on CYTD basis

Toyota Division Hybrid Sales

- Up slightly for the month
- Up 6-and-a-half % for the year
- Account for more than half of all hybrids sold in America

Perhaps our biggest November story is on the truck side

- Where compact SUVs or crossovers
- Hottest volume segment in the industry right now
- One of the hottest models is the new RAV4

RAV4

- Best November ever
- Sales nearly 19,500
- Up 56.5% for the month
- Up 25% for the year

Also setting a new November mark

- Highlander
- Sales of more than 11,500
- Up 22%

New Tundra led an increase in pickup truck sales

- Topped 10,000 units
 - Second time this year
 - Up 20.5% for the month

Combined with Tacoma

- Which had sales of more than 12,600

Total pickup sales

- 22,600
- Up 10% for the month
- More than 13.5% for the year

Finally, Toyota Certified Used Vehicles

- Sold nearly 31,000 vehicles

- New November record
- Strength of used vehicle sales is retained value
- Reinforced in November
- Kelly Blue Book named Toyota
 - Best resale brand
 - Third straight year
 - Industry leading six segment winning vehicles
- Toyota also earned eight Residual Value Awards from ALG
 - More than any other brand

Looking ahead

- Big Thanksgiving weekend
- Bodes well for a strong close to the year for the industry

At Toyota

- The annual year-end ToyotaThon just getting underway
- Will peak the week between Christmas and New Years
 - When more than half of the sales for the month will be made

Good inventories

- Including hot new models Corolla, Avalon, RAV4, Tundra

Along with available low financing and lease rates

- Provide the best deals of the year

Thank you again for joining us today. Now I'd like to turn this over to Jeff for a look at Lexus.

Lexus Group Vice President and General Manager Jeff Bracken:

Thank you Bill.

At Lexus

- Also had a great close to the month
- Sales up 35% over Thanksgiving Weekend compared to last year
- For the month
- Sales totaled 25,611
- Up 12.7%
- Outperforming both the luxury segment
- And overall industry

YTD

- Sales of nearly 240,000

- Up 12%
- On target for our goal of 270,000 this year

Beginning to sound like a broken record

- The new IS was way up again in November
 - As sales doubled
 - To nearly 4,000
 - Second-best month of the year
- Continues to attract youngest buyers in luxury segment (44)
- Half of all buyers are new to Lexus family

ES sales of 6,300

- Up 4% for the month
- Up 33% for the year

LS sales topped 1,000

- Now Up 37% CYD
- Closing in on 10,000 for the year

November another big month for luxury SUVs

- Both GX and LX had their best months of the year
- RX had its second best month of 2013

RX remains the luxury industry's SUV leader

- Sales of nearly 9,500 in November
- Up 7%; hybrid up more than 9%
- Up nearly 10% for the year

New GX

- 1,700
- Up 70%

The LX570

- Up 33%

Lexus Certified Pre-Owned

- Set a record for the month

- Up 5,700
- 7th monthly record this year
- Named best luxury brand for best resale value by Kelly Blue Book
 - Third straight year
 - Six segment winner

Looking ahead

- Launched December to Remember just before Thanksgiving
- Including a series of new commercials
- Off to great start
- Expect momentum to carry through the end of the year
- December traditionally one of our best sales months of the year
- Great across the board product availability
 - Including the new IS
- And great financing options
- Combine to provide great opportunities for buyers

Thank you very much for joining us today. Now I'd like to open up the call for questions.